PRESIDENT'S MESSAGE.

TO OUR STREETHINGS.

Fellow-citizens of the Senate and House of Representatives. In obedience to the command of the constitution, it has now become my duty 'to give to Congress information of the state of the Union, and recommend to their con-sideration such measures," as I judge to be "necessary and

now become my duty "to give to Congress information of the state of the Union, and recommend to their consideration such measures" as I incide to be "necessary and expedient."

But first, and above all, our thanks are due to Almighty God for the numerous benefits which He has bestowed upon this people; and our united prayers ought to ascend to Him that He would continue to bress our great republic in time to come as He has bessed it in time; past. Since the adjournment of the last Congress our constituents have enjoyed in unusual degree of health. The earth has yielded her fruits abundantly, and has bountifully rewarded the toil of the husbandman. Our great stephes have commanded high prices, and, up till within a brief period, our manufacturing, mihreral, and mechanical occupations have largely partaken of the general prosperity. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is at the present moment in a deplorable condition. In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of national wealth, we find our manufactures suspended, our public works retarded, our private enterprises of uniferent kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the government, which is chiefly derived from duties on imports from abroad, has been greatly reduced, whilst the appropriations made by Congress at its last session for the current fiscal year are very large in amount.

Under these circumstances a losh may be required before the close of your present session; but this, although deeply to be regetted, would prove to be only a slight misfortune when compared with the suffering and distress prevailing among the people. With this the government cannot fall deeply to sympathize, though it may be without the power to extend relief.

It is our duty to inquire what has produced such unfortunate results, and whet

are.

The framers of the constitution, when they gave to The framers of the constitution, when they gave to Congress the power "to coin money and to regulate the value thereof," and prohibited the States from coining money, emitting bills of credit, or making anything but gold and silver coin a tender in payment of debts, supposed they had protected the people against the evils of an excessive and irredeemable paper currency. They are not responsible for the existing anomaly that a government endowed with the sovereign attribute of coining money and regulating the value thereof should have no power to prevent others from driving this coin out of the country and filling up the channels of circulation with paper which does not represent gold and silver.

It is one of the highest and most responsible duties of government to insure to the people a sound circulating medium, the amount of which ought to be adapted with the utmost possible wisdom and skill to the wants of internal trade and foreign exchanges. If this be either greatly above or greatly below the proper standard, the marketable value of every man's property is increased or diminished in the same proportion, and injustice to individuals as well as incalculable evils to the community are the consequence.

viduals as well as incalculable evils to the community are the consequence.

Unfortunately, under the construction of the federal constitution, which has now prevailed too long to be changed, this important and delicate duty has been dissevered from the coining power and virtually transferred to more than fourteen hundred State banks, acting independently of each other, and regulating their paper issues almost exclusively by a regard to the present interest of their stockholders. Exercising the sovereign power of providing a paper currency, instead of coin, for the country, the first duty which these banks owe to the public is to keep in their vaults a sufficient amount of gold and silver to insure the convertibility of their notes into coin at all times and under all circumstances. No bank ought ever to be chartered without such restrictions on its business as to secure this result. All other retions on its business as to secure this result. All other re-strictions are comparatively vain. This is the only tru-touchstone, the only efficient regulator of a paper curren-cy—the only one which can guard the public against over-

touchstone, the only efficient regulator of a paper currency—the only one which can guard the public against overissues and bank suspensions. As a collateral and eventual security it is doubtless wise, and in all cases ought to
be required, that banks shall hold an amount of United
States or State securities equal to their notes in circulation and pledged for their redemption. This, however,
furnishes no adequate security against over-issues. On
the contrary, it may be perverted to inflate the currency.
Indeed, it is possible by this means to convert all the
debts of the United States and State governments into
bank notes, without reference to the specie required to
redeem them. However valuable these securities may be
in them-selves, they cannot be converted into gold and
silver at the moment of pressure, as our experience
teaches, in sufficient time to prevent bank suspensions
and the depreciation of bank notes. In England,
which is to a considerable extent a paper-money
country, though vastly behind our own in this respect, it was deemed advisable, anterior to the act
of Parliament of 1844, which wisely separated the issue
of notes from the banking department, for the Bank of
England always to keep on haad gold and silver equal to
one-third of its combined circulation and deposites. If
this proportion was no more than sufficient to secure the
convertibility of its notes, with the whole of Great Brit. this proportion was no more than sufficient to secure the convertibility of its notes, with the whole of Great Brit ne extent the continent of Europe as a field for its circulation, rendering it almost impossible that a sudden and immediate run to a impossible that a sudden and immediate run to a daugerous amount should be made upon it, the same proportion would certainly be insufficient under our banking system. Each of our fourteen hundred banks has but a limited circumference for its circulation, and in the course of a very few days the depositors and note-holders might demand from such a bank a sufficient amount in specie to compel it to suspend, even although it had coin in its vaults equal to one-third of its immediate liabilities. And yet I am not aware, with the exception of the banks of Louisiana, that any State bank throughout the Union vaults equal to one-third of its immediate liabilities. And yet I am not aware, with the exception of the banks of Louisiana, that any State bank throughout the Union has been required by its charter to keep this or any other proportion of gold and silver compared with the amount of its combined circulation and deposites. What has been the consequence? In a recent report made by the Treasury Department on the condition of the banks throughout the different States, according to returns dated nearest to January, 1857, the aggregate amount of actual specie in their vaults is \$58,349,838, of their circulation \$214,778,822, and of their deposites \$230,351,352. Thus it appears that these banks in the aggregate have considerably less than one dollar in seven of gold and silver compared with their circulation and deposites. It was palpable, therefore, that the very first pressure must drive them to suspension, and deprive the people of a convertible currency with all its disastrous consequences. It is truly wonderful that they should have so long continued to preserve their credit, when a demand for the payment of one-seventh of their immediate liabilities would have driven them into insolvency. And this is the condition of the banks, notwithstanding that four hundred millions of gold from California have flowed in upon us within the last eight years, and the tide still continues to flow. Indeed such have been the exception would have driven them into insolvency. And this is the condition of the banks, notwithstanding that four hundred millions of gold from California have flowed in upon us within the last eight years, and the tide still continues to flow. Indeed, such has been the extrava-gance of bank enedits that the banks now hold a consid-

continues to flow. Indeed, such has been the extravagance of bank enedits that the banks now hold a considerably less amount of specie, either in proportion to their
capital or to their circulation and deposites combined,
than they did before the discovery of gold in California.
Whilst in the year 1848 their specie in proportion to
their capital was more than equal to one dollar for four
and a half, in 1857 it does not amount to one dollar for
every six dollars and thirty-three cents of their capital.
In the year 1848 the specie was equal within a very small
fraction to one dollar in five of their circulation and deposites; in 1857 it is not equal to one dollar in seven
and a half of their circulation and deposites.

From this statement it is easy to account for our financial history for the last forty years. It has been a history
of extravagant expansions in the business of the country,
followed by ruinous contractions. At successive intervabs the best and most enterprising men have been tempted to their ruin by excessive bank loans of mere paper
credit, exciting them to extravagant importations of forcign goods, wild speculations, and ruinous and demoralising stock gambling. When the crisis arrives, as arrive it must, the banks can extend no relief to the poople. In a vain struggle to redeem their liabilities in
specie they are compelled to contract their loans and their
issues; and at last, in the hour of distress, when their
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issues; and at last, in the hour of distress, when their
issues; and at last, in the hour of distress, when their

specie they at last, in the massistance is most needed, they and their debuors sink into insolvency.

It is this paper system of extravagant expansion, raising the nominal price of every article far beyond its real value, when compared with the cost of similar articles in countries whose circulation is wisely regulated, which has prevented us from competing in our own markets manufacturers, has produced extravagant im-

portations, and has counteracted the effect of the large incidental protection afforded to our domestic manufactures by the present revenue tariff. But for this the branches of our manufactures composed of raw materials, the production of our own country—such as cotton, fron, and woollen fabrics—would not only have acquired almost exclusive possession of the home market, but would have created for themselves a foreign market throughout mselves a foreign market throughout

have created for themselves a foreign market throughout the world.

Deplorable, however, as may be our present financial condition, we may yet include in bright hopes for the future. No other nation has ever existed which could have endured such violent expansions and contractions of paper credits without lasting injury; yet the buoyancy of youth, the energies of our population, and the spirit which never qualis before difficulties, will enable us soon to recover from our present mancial embarrassment, and may even occasion us specifly to forget the lesson which they have taught.

In the mean time it is the duty of the government, by all proper means within its power, to aid in alleviating

may even occasion us speedily to forget the lesson which they have taught.

In the mean time it is the duty of the government, by all proper means within its power, to aid in alleviating the sufferings of the people occasioned by the suspension of the banks, and to provide against a recurrence of the same calamity. Unfortunately, in either aspect of the case, it can do but little. Thanks to the independent in the case, it can do but little. Thanks to the independent in the case, it can do but little. Thanks to the independent in the case, it can do but little. Thanks to the independent in the case, it can do but little. Thanks in 1837. It will continue to discharge its liabilities to the people in gold and silver. Its disbursements in coin will puss into circulation, and materially assist in restoring a sound currency. From its high credit, should we be compelled to make a temporary loan, it can be effected on advantageous terms. This, however, shall, if possible, be avoided: but, if not, then the amount shall be limited to the lowest practicable sum.

I have, therefore, determined that whilst no useful government works already commenced, will be postponed, if this can be done without injury to the country. Those necessary for its defence shall proceed as though there had been no crisis in our monetary affairs.

But the federal government cannot do much to provide against a recurrence of existing evils. Even if insurmountable constitutional objections did not exist against the creation of a National Bank, this would furnish no adequate preventive security. The history of the last Bank of the United States abundantly proves the truth of this assertion. Such a bank could not, if it would, regulate the issues and credits of fourteen hundred State banks in such a manner as to prevent the rulnous expansions and contractions in our currency which afflicted the country banks under the most favorable circumstances. The paper currency had been expanded to a ruinous extent, and the Bank of England to curtail the issues o

But a Bank of the United States would not if it could

was more dark mate up by the sates of the country banks."

But a Bank of the United States would not, if it could, restrain the issues and loans of the State banks, because its duty as a regulator of the currency must often be in direct conflict with the immediate interest of its stock-holders. If we expect one agent to restrain or control another their interests must, at least in some degree, be antagonistic. But the directors of a Bank of the United States would feel the same interest and the same inclination with the directors of the State banks to expand the currency, to accommodate their favorites and friends with loans, and to declare large dividends. Such has been our experience in regard to the last bank.

After all, we must mainly rely upon the patriotism and wisdom of the States for the prevention and redress of the evil. If they will afford us a real specie basis for our paper circulation by increasing the denomination of bank notes, first to twenty, and afterwards to fifty dollars; if they will require that the banks shall at all times keep on hand at least one dollar of gold and silver for every three dollars of their circulation and deposites; and if they will provide by a self-executing enactment, which nothing can arrest, that the moment they suspend they shall go into liquidation, I believe that such provisions, with a weekly publication by each bank of a statement of its condition, would go far to secure us against future suspensions of specie payments.

Congress, in my opinion, possess the power to pass a uniform bankrupt law applicable to all banking institutions throughout the United States, and I strongly recommend its exercise. This would make it the irreversible organic law of each bank's existence, that a suspension of specie payments shall produce its civil death. The instinct of self-preservation would then compel it to perform its duties in such a manner as to escape the penalty and preserve its life.

The existence of banks and the circulation of bank

reserve its life.

The existence of banks and the circulation of bank The existence of banks and the circulation of bank paper are so identified with the habits of our people, that they cannot at this day be suddenly abolished without much immediate injury to the country. If we could confine them to their appropriate sphere, and prevent them from administering to the spirit of wild and reckless speculation by extravagant loans and issues, they might be continued with advantage to the public.

But this I say, after long and much reflection: if experience shall prove it to be impossible to enjoy the facilities which well-regulated banks might afford, without at the same time suffering the calamities which the excesses of the banks have hitherto inflicted upon the country, it would then be far the lesser evil to deprive them altogether of the power to issue a paper currency and confine

would then be far the lesser evil to deprive them alto-gether of the power to issue a paper currency and confine them to the functions of banks of deposite and discount.

Our relations with foreign governments are, upon the whole, in a satisfactory condition. The diplomatic difficulties which existed between the government of the United States and that of Great Britain at the adjournment of the last Congress have been happily terminated by the appointment of a British minister to this country, who has been cordially received.

Whilst it is greatly to the interest, as I am convinced it is the sincere desire, of the governments and people of the two countries to be on terms of intimate friend-ship with each other, it has been our misfortune almost

always to have had some irritating, if not dangerous, out-standing question with Great Britain. Since the origin of the government we have been employed in negotiating treaties with that power, and afterwards in discussing their true intent and meaning. In this respect, the convention of April 19, 1850, cominonly called the Clayton and Bulwer treaty, has been the most unfortunate of all; because the two governments place directly opposite and contradictory constructions upon its first and most important article. Whilst, in the United States, we believed that this treaty would place both powers upon an exact equality by the stipulation that neither will ever "occupy, or fortify, or colonize, or assume or exercise any dominion" over, any part of Central America, it is contended by the British government. Central America, it is contended by the British government that the true construction of this language has left them in the rightful possession of all that portion of Central America which was in their occupancy at the date of the treaty; in fact, that the treaty is a virtual recognition on the part of the United States of the right of Great Britain, either as owner or protector, to the whole extensive coast of Central America, sweeping round from the Rio Hendo to the port and harbor of San Juan de Nicaragua, together with the adjacent Bay Islands, except the companitively small portion of this between the Sarstoon and Cape Honduras. According to their construction, the treaty does no more than simply prohibit them from extending their possessions in Central America beyond the present limits. It is not too much to assert, that if in the United States the treaty had been considered susceptible of such a construction, it never would have been negotiated under the authority of the President, nor would it have received the approbation of the Senate. ceptible of such a construction, it never would have been negotiated under the authority of the President, nor would it have received the approbation of the Senate. The universal conviction in the United States was, that when our government consented to violate its traditional and time-honored policy, and to stipulate with a foreign government never to occupy or acquire territory in the Central American portion of our own continent, the consideration for this sacrifice was that Great Britain should, in this respect at least, be placed in the same position with ourselves. Whilst we have no right to doubt the sincerity of the British government in their construction of the treaty, it is at the same time my deliberate conviction that this construction is in opposition both to its

viction that this construction is in opposition both to its letter and its spirit.

Under the late administration negotiations were insti-Under the late administration negotiations were instituted between the two governments for the purpose, if
possible, of removing these difficulties; and a trenty having this laudable object in view was signed at London on
the 17th October, 1856, and was submitted by the President to the Senate on the following 10th of December.
Whether this treaty, either in its original or amended
form, would have accomplished the object intended without giving birth to new and embarrasising complications
between the two governments, may perhaps be well questioned. Certain it is, however, it was rendered much
less objectionable by the different amendments made to
it by the Senate. The treaty, as amended, was ratified by
me on the 12th March, 1857, and was transmitted to
London for ratification by the British government. That
government expressed its willingness to concur in all the
amendments made by the Senate with the single excep-

tion of the clause relating to Rustan and the other identics in the Bay of Hendurs. The article in the original treaty, as submitted to the Senate, after reciting that these istands and thelv inhabitants. having been by a convention bearing that the 27th day of August, 1856, between her Britannic Majesty and the republic of Honduras, constituted and declared a free territory under the sovereignty of the said republic of Honduras," stipulated that "the two contracting parties do hereby mutually engage to recognise and respect in all fitting time the independence and rights of the said free territory as a part of the republic of Honduras."

Upon an examination of this convention between Great Britain and Honduras of the 27th August, 1856, it was found that, whilst declaring the Bay Islands to be "a free territory under the sovereignty of the republic of Honduras," it deprived that republic of rights without which its sovereignity over them could scarcely be said to exist. It divided them from the remainder of Honduras, and gave to their inhabitants a separate government of their own, with legislative, executive, and judicial officers, elected by themselves. It deprived the government of Honduras of the taxing power in every form, and exempted the people of the islands from the performance of military duty except for their own exclusive defence. It also prohibited that republic from crecting fortifications upon them for their protection—thus leaving them open to invasion from any quarter; and, finally, it provided "that slavery shall not at any time hereafter be permitted to exist therein."

Had Honduras ratified this convention, see would have ratified the establishment of a State substantially independent within her own limits, and a State at all times subject to British influence and control. Moreover, had the United States ratified the treaty with Great Britain in its original form, we should have been bound "to recognise and respect in all future time" these stipulations to the prejudice of Honduras. Being in

off the coast of the republic of Honduras, as under the sovereignty and as part of the said republic of Honduras."

Great Britain rejected this amendment, assigning as the only reason, that the ratifications of the convention of the 27th August, 1856, between her and Honduras, had not been "exchanged, owing to the hostitation of that government." Had this been done, it is stated that "her Majesty's government would have had in effect the same signification as the original wording." Whether this would have been the effect; whether the mere circumstance of the exchange of the ratifications of the British convention with Honduras prior in point of time to the ratification of our treaty with Great Britain would, "in effect," have had "the same signification as the original wording," and thus have nullified the amendment of the Senate, may well be doubted. It is, perhaps, fortunate that the question has never arisen.

The British government, immediately after rejecting the treaty as amended, proposed to enter into a new treaty which they had just refused to ratify, if the United States would consent to add to the Senate; with the United States would consent to add to the Senate; with Great Britain had have concluded and ratified a treaty with Great Britain, by which Great Britain shall have eded, and the republic of Honduras shall have concluded and ratified a treaty with Great Britain, by which Great Britain shall have eded, and the republic of Honduras shall have the provisions and conditions contained in such treaty."

This proposition was, of course, rejected. After the Senate had refused to recognise the British convention with Honduras of the 27th August, 1856, with full knowledge of its contents, it was impossible for me, necessarily ignorant of "the provisions and conditions which in most friend lands the total proposition of the two countries in Central America sidentical, but the termination of the Central America would most probably ere this have been adjusted to the satisfaction of both parties. The time as."

Great Britain rejected this amendment, assigning as the

discriminating duties both on tonnage and on articles

discriminating duties both on tonnage and on articles, the growth, produce, or manufacture of the one country, when arriving in vessels belonging to the other.

More than forty years ago, on the 3d March, 1815, Congress passed an act offering to all nations to admit their vessels laden with their national productions into the ports of the United States upon the same terms with our own vessels, provided they would reciprocate to us similar advantages. This act confined the reciprocity to the productions of the respective foreign nations who might enter into the proposed arrangement with the United States. The act of May 24, 1828, removed this restriction, and offered a similar reciprocity to all such vessels without reference to the origin of their cargoes. Upon these principles, our commercial treaties and arrangements have been founded, except with France; and let us hope that this exception may not long exist.

Upon these principles, our commercial treaties and arrangements have been founded, except with France; and let us hope that this exception may not long exist.

Our relations with Russia remain, as they have ever been, on the most friendly footing. The present Emperor, as well as his predecessors, have never failed, when the occasion offered, to manifest their good will to our country; and their friendship has always been highly appreciated by the government and people of the United States.

country; and their friendship has always been highly appreciated by the government and people of the United States.

With all other European governments, except that of Spain, our relations are as peaceful as we could desire. I regret to say that no progress whatever has been made, since the adjournment of Congress, towards the settlement of any of the numerous claims of our citizens against the Spanish government. Besides, the outrage committed on our flag by the Spanish war-frigate Ferrolana on the high seas, off the coast of Cuba, in March, 1855, by firing into the American mail steamer El Dorado, and detaining and searching her, remains unacknowledged and unredressed. The general tone and temper of the Spanish government towards that of the United States are much to be regretted. Our present envoy extraordinary and minister plenipotentiary to Madrid has asked to be recalled; and it is my purpose to send out a new minister to Spain, with special instructions on all questions pending between the two governments, and with a determination to have them speedily and amicably adjusted, if this be possible. In the mean time, whenever our minister urges the just claims of our citizens on the notice of the Spanish government, he is met with the objection that Congress have never made the appropriation recommended by President Folk in his annual message of December, 1847, "to be paid to the Spanish government for the purpose of distribution among the claimants in the Amistad case." A similar recommendation was made by my immediate predecessor in his message of December, 1853; and entirely concurring with both in the opinion that this indemnity is justly due under the treaty with Spain of the 27th October, 1795, I earnestly recommend such an appropriation to the favorable consideration of Congress.

A treaty of friendship and commerce was concluded at

Ongress.

A treaty of friendship and commerce was concluded at A treaty of friendship and commerce was concluded at Constantinople on the 13th December, 1836, between the United States and Persia, the ratifications of which were exchanged at Constantinople on the 13th June, 1857, and the treaty was proclaimed by the President on the 18th August, 1857. This treaty, it is believed, will prove beneficial to American commerce. The Shah has manifested an earnest disposition to cultivate friendly relations with our country, and has expressed a strong wish that we should be represented at Teheran by a uninister plenipotentiary; and I recommend that an appropriation be made for this purpose.

Recent occurrences in China have been unfavorable to

t empire of the 3d July, ity and extension of our this treaty stipulated for ce should prove this to be a revision of the treaty with that empire of the 3d July, 1844, with a view to the security and extension of our commerce. The 24th article of this treaty stipulated for a revision of it, in case experience should prove this to be requisite; "in which case the two governments will, at the expiration of twelve years from the date of said convention, treat amicably concerning the name, by likenator such negotiations." These twelve years expired on the 3d July, 1856; but long before that period it was ascertained that important changes in the treaty were necessary and important changes in the treaty were necessary; and several fruities attempts were made by the commissioner of the United States to effect these changes. Another effort was about to be made for the same purpose by our

effort was about to be made for the same purpose by our commissioner, in conjunction with the ministers of England and France, but this was suspended by the occurrence of hostilities in the Canton river between Great Britain and the Chinese Empire. These hostilities have necessarily interrupted the trade of all nations with Canton, which is now in a state of blockade, and have occasioned a serious loss of life and property. Meanwhile the insurrection within the empire against the existing imperial dynasty still continues, and it is difficult to anticipate what will be the result.

Under these circumstances, I have deemed it advisable it to appoint a distinguished citizen of Pennsylvania envoy extraordinary and minister plenipotentiary to proceed to China, and to avail himself of any opportunities which may offer to effect changes in the existing treaty favorable to American commerce. He left the United States for the place of his destination in July last in the war steamer Minnesota. Special ministers to China have also been appointed by the governments of Great Britain and France.

Whilst our minister has been instructed to occurre

also been appointed by the governments of Great Britain and France.

Whitst our minister has been instructed to occupy a neutral position in reference to the existing hostilities at Canton, he will cordially co-operate with the British and French ministers in all peaceful measures to secure by treaty stipulations, those just concessions to commerce which the nations of the world have a right to expect, and which China cannot long be permitted to withhold. From assurances received, I entertain no doubt that the three ministers will act in harmonious concert to obtain similar commercial treaties for each of the powers they represent.

cerns the welfare of the independent republics on our own continent, as well as of the empire of Brazil.

Our difficulties with New Granada, which a short time since bore so threatening an aspect, are, it is to be hoped, in a fair train of settlement in a manner just and honorable to both conflicts.

since bore so threatening an aspect, are, it is to be hoped, in a fair train of settlement in a manner just and honorable to both parties.

The Isthmus of Central America, including that of Panama, is the great highway between the Atlantic and Pacific, over which a large portion of the commerce of the world is destined to pass. The United States are more deeply interested than any other nation in preserving the freedom and security of all the communications across this isthmus. It is our duty, therefore, to take care that they shall not be interrupted either by invasions from our own country or by wars between the independent States of Central America. Under our treaty with New Grenada of the 12th December, 1846, we are bound to guaranty the neutrality of the Isthmus of Panama, through which the Panama railroad passes, "as well as the rights of sovereignty and property which New Grenada has and possesses over the said Territory." This obligation is founded upon equivalents granted by the treaty to the government and people of the United States.

Under these circumstances, I recommend to Congress the passage of an act authorizing the President, in case of necessity, to employ the land and naval forces of the United States to carry into effect this guarantee of neutrality and protection. I also recommend similar legislation for the security of any other route across the isthmus in which we may acquire an interest by treaty.

With the independent republics on this continent it is

traitty and protection. I also recommend similar legislation for the security of any other route across the isthmus in which we may acquire an interest by treaty.

With the independent republics on this continent it is both our duty and our interest to cultivate the most friendly relations. We can never feel indifferent to their fate, and must always rejoice in their prosperity. Unfortunately, both for them and for us, our example and advice have lost much of their influence in consequence of the lawless expeditions which have been fitted out against some of them within the limits of our country. Nothing is better calculated to retard our steady material progress, or impair our character as a nation, than the toleration of such enterprises in violation of the law of nations.

It is one of the first and highest duties of any independent State, in its relations with the members of the great family of nations, to restrain its people from acts of hostile aggression against their citizens or subjects. The most eminent writers on public law do not hesitate to denounce such hostile acts as robbery and murder.

Weak and feeble States, like those of Central America, may not feel themselves able to assert and vindicate their citizens.

Weak and feeble States, like those of Central America, may not feel themselves able to assert and vindicate their rights. The case would be far differentifexpeditions were set on foot within our own territories to make private war against a powerful nation. If such expeditions were fitted out from abroad against any portion of our own country, to burn down our cities, murder and plunder our people, and usurp our government, we should call any power on earth to the strictest account for not preventing

power on earth to the strictest account for not preventing such enormities.

Ever since the administration of General Washington, acts of Congress have been in force to punish severely the crime of setting on foot a military expedition within the limits of the United States, to proceed from thence against a nation or State with whom we are at peace. The present neutrality act of April 20th, 1818, is but little more than a collection of pre-existing laws. Under this act the President is empowered to employ the land and naval forces and the militia "for the purpose of pre-enting the carrying on of any such expedition or enterand invarious and the minus. To the purpose of pre-venting the carrying on of any such expedition or enter-prise from the territories and jurisdiction of the United States," and the collectors of customs are authorized and required to detain any vessel in port when there is rea-son to believe she is about to take part in such lawless

nterprises.

When it was first rendered probable that an attempt
when it was first rendered probable that an attempt would be made to get up another unlawful expedition against Nicaragua, the Secretary of State issued instructions to the marshals and district attorneys, which were direct-ed by the Secretaries of War and the Navy to the appropriate army and navy officers, requiring them to be vigilant, and to use their best exertions in carrying into effect the provisions of the act of 1818. Notwithstanding these precautions, the expedition has escaped from our shores. precautions, the expedition has escaped from our shores. Such enterprises can do no possible good to the country, but have already inflicted much injury both on its inter-ests and its character. They have prevented peaceful emigration from the United States to the States of Central America, which could not fail to prove highly beneficial to all the parties concerned. In a pecuniary point of view alone, our citizens have sustained heavy losses from the seizure and closing of the transit route by the San Juan

etween the two occans.

The leader of the recent expedition was arrested New Orleans, but was discharged on giving bail for his opearance in the insufficient sum of two thousand dol-

I commend the whole subject to the serious attention of Congress, believing that our duty and our interest, as well as our national character, require that we should adopt such measures as will be effectual in restraining

adopt such measures as will be effectual in restraining our citizens from committing such outrages.

I regret to inform you that the President of Paraguay has refused to ratify the treaty between the United States and that State as amended by the Senate, the signature of which was mentioned in the measage of my predecessor to Congress at the opening of its session in December, 1853. The reasons assigned for this refusal will appear in the correspondence herewith submitted.

It being desirable to ascertain the fitness of the river Le Plate and its tributaries for payingtion by steam the

It being desirable to ascertain the fitness of the river La Plata and its tributaries for navigation by steam, the United States steamer Water Witch was sent thither for that purpose in 1853. This enterprise was successfully carried on until February, 1855, when, whilst in the peaceful prosecution of her voyage up the Parnar river, the steamer was fired upon by a Paraguayan fort. The fire was returned; but as the Water Witch was of small force, and not designed for offensive operations, she retired from the conflict. The pretext upon which the attack was made was a decree of the President of Paraguay of October, 1854, prohibiting foreign vessels-of-war from navigating the rivers of that State. As Paraguay, however, was the owner of but one bank of the river of that name, the other belonging to Corrientes, a State of the ever, was the owner of but one bank of the river of that name, the other belonging to Corrientes, a State of the Argentine Confederation, the right of its government to expect that such a decree would be obeyed cannot be acknowledged. But the Water Witch was not, properly speaking, a vessel-of-war. She was a small steamer en-gaged in a scientific enterprise intended for the advantage of commercial States generally. Under these circum-stances, I am constrained to consider the attack upon her as unjustifiable, and as calling for satisfaction from the Puraguayan government.

as unjustificate, and as carried and an experiment.
Citizens of the United States, also, who were established in business in Paraguay, have had their property soized and taken from them, and have otherwise been treated by the authorities in an insulting and arbitrary manner,

A demand for these purposes will be made in a firm but conciliatory spirit. This will the more probably be granted if the Executive shall have authority to use other means in the event of a refusal. This is accordingly recommended.

It is unnecessary to state in detail the alarming condi-It is unnecessary to state in detail the alarming condi-tion of the Territory of Kansas at the time of my inaugu-ration. The opposing parties then stood in hostile array against each other, and any accident might have relight-ed the flames of civil war. Besides, at this critical mo-

ment, Kames was left without a governor by the resignation of Gov. Gearg.

On the 19th of Pébruary previous, the territorial legislature had passed a law providing for the election of delagates on the third Monday of June to a contention regist make first Monday of the study to demission into the Union. This law was in this main fair and just; and it is to be repreted that all the qualified electron had not registered themselves and voted under its provisions.

At the that perfect the design of the content of their continuous casted in the Territory, we haveful government by force, and to existable a povernment of their containing any just in the election.

The set of the territorial legislature had consisted in the cartest state of public feeling throughout Kanasa an appropriate the continuous programment of their containing any just in the election.

The set of the territorial legislature had consisted to the recommendation of the force upon them a consistuation in relation to slavery apprehension estensively prevaled that a design existed to gove the property that the cartest state of public feeling throughout Kanasa an appropriate the content of the provisions concepting abserved containing of alternative of the content of the

not continue to exist. Indeed, this was the only possible mode in which their will could be authentically ascertained.

The election of delegates to a convention must necessarily take place in separate districts. From this cause it may readily happen, as has often been the case, that a majority of the people of a State or Territory are on one side of a question, whilst a majority of the representatives from the several districts into which it is divided may be upon the other side. This arises from the fact that in some districts delegates may be elected by small majorities, whilst in others those of different sentiments may receive majorities sufficiently great not only to overcome the votes given for the former, but to leave a large majority of the whole people in direct opposition to a majority of the delegates. Besides, our history proves that influences may be brought to bear on the representative sufficiently powerful to induce him to disregard the will of his constituents. The truth is, that no other authentic and satisfactory mode exists of ascertaining the will of a majority of the people of any State or Territory on an important and exciting question like that of slavery in Kansas, except by leaving it to a direct vote. How wise, then, was it for Congress to pass over all subordinate and intermediate agencies, and proceed directly to the source of all legitimate power under our institutions!

How vain would any other principle prove in practice! This may be illustrated by the case of Kansas. Should she be admitted into the Union, with a constitution either maintaining or abolishing slavery, against the sentiment of the people, this could have no other effect than to continue and to exasperate the existing agitation during the brief period required to make the constitution conform to

Inter value valued any other principle prover in periodical date by admitted into the Union, with a constitution either maintaining or adolling always, against the sections of the maintaining of adolling always, against the sections of almost and to exasperate the existing agitation cutring the height profession of the existing agitation cutring the profession of the existing agitation cutring the height profession for the existing agitation cutring the profession of the existing agitation cutring the profession of the existing agitation cutring the height profession of the existing agitation cutring the height profession of the existing agitation cutring the height profession of the existing agitation and the existing agitation of the existing a

to far more important objects. When once admitted into the Union, whether with or without slavery, the excitement beyond her own limits will speedly pass away and she will then for the first time be left, as she ought to have been long since, to mange her own affairs in her own way. If her constitution on the subject of slavery, or on any other subject, be displeasing to a majority of the people, no human power can prevent them from changing it within a brief period. Under these circumstances, it may well be questioned whether the peace and quiet of the whole country are not of greater importance than the mere temporary triumph of either of the political parties in Kansas.

Should the constitution without slavery be adopted by the votes of the majority, the rights of property in slavenow in the Territory are reserved. The number of these is very small; but if it were greater the provision would be equally just and reasonable. These slaves were brought into the Territory under the constitution of the United States, and are now the property of their masters. This point has at length been finally decided by the highest judicial tribunal of the country—and this upon the plain principle that when a confederacy of sovereign States acquire a new territory at their joint expense, both equality and justice demand that the citizens of one and all of them shall have the right to take into it whatsoever is recognised as property by the common constitution. To have summarily confiscated the property in slaves already in the Territory, would have been an act of gross injustice, and contrary to the practice of the older States of the Union which have abolished slavery.

A territorial government was established for Utah by act of Congress approved the 9th September, 1850, and the constitution and laws of the United States were thereby extended over it "so far as the same, or any previsions thereof, may be applicable." This act provided for the appointment of the officers necessary to extend our land and our Indian against have